

State Auditor's Housekeeping Bill
SB 157
Sponsored by Senator Don Ryan

EXHIBIT NO. 1
DATE 1-16-07
BILL NO. SB 157

This bill generally cleans up and updates language in the insurance code. The following is a list of highlighted items in this bill.

33-1-603, MCA: Raises the fee for service of process through the commissioner from \$10 to \$25.

33-4-505, MCA: Raises the fee to renew a certificate of authority for a farm mutual insurer from \$10 to \$100 for a county farm mutual and from \$25 to \$250 for a state farm mutual insurer.

33-17-214, MCA: Requires insurance producers to inform the commissioner within 30 days of a final disposition in an administrative action if that action relates to the business of insurance and securities, or the final disposition of any criminal action, other than a traffic violation. This requirement to report currently exists in the code at 33-17-1205, attached to the requirement to report continuing education credits. However, CE is now only reported biennially, which is too long to wait for such information to be reported to the commissioner.

33-17-232, MCA: Clarifies the requirement that "services to be provided" must be specified and clearly defined in the written memorandum that is required when insurance consultants are receiving a fee for their services.

33-19-105, MCA: Adds updated terms from the HIPAA privacy and security regulations to the statute providing an exemption based on federal standards for privacy of individually identifiable health information for HIPAA covered entities. Also extends the sunset date on this exemption to July 2009.

33-22-513, MCA: Changes made in order to conform to minimum federal HIPAA portability and nondiscrimination regulations. The insurer cannot cancel a conversion health insurance policy when an individual becomes age-eligible for Medicare.

33-22-1517, MCA: Clarifies the limitations on eligibility to make it clear that the MCHA may terminate high-risk pool coverage when an individual becomes age-eligible for Medicare, as allowed by federal law.

33-22-2002, MCA: Clarifies that the term "employee" as used in this part refers only to "eligible employees," meaning employees who are eligible pursuant to Montana small employer group laws to participate in an employer-sponsored group health plan.

33-31-311, MCA: Clarifies that an insurance producer who sells HMO products does not need any specialty license beyond a license to sell disability (health) insurance.

33-35-306, MCA: Clarifies that multiple employer welfare arrangements must send certificates of creditable coverage, as required by federal HIPAA portability law.

Retroactive applicability dates are being requested for 33-22-2002 and for Chapter 595, Laws of 2005 in order to eliminate any question regarding which employees need to be counted for purposes of determining eligibility for the program and also to allow small businesses who have a tax year that does not coincide with the calendar year to still be eligible to claim a tax credit during 2006.